

**Introduced by Senator Kehoe**

January 22, 2009

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An act to amend Section 33445 of the Health and Safety Code, relating to redevelopment.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 93, as introduced, Kehoe. Redevelopment: payment for land or buildings.

The Community Redevelopment Law requires a redevelopment agency to make specified findings if the agency pays all or a part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement that is publicly owned either within or without the project area. These determinations by the agency and the local legislative body are final and conclusive. An agency is authorized to enter into a contract with the community or other public corporation when the value of the land or the cost of the installation and construction of the building, facility, structure, or other improvement, or both, has been, or will be, paid or provided for initially by the community or other public corporation, and the agency agrees to reimburse, the community or other public corporation. An agency may contract with the community when the land has been or will be acquired by, or the cost of the installation and construction of the building, facility, structure, or other improvement has been paid by, a parking authority, joint powers entity, or other public corporation to provide a building, facility, structure, or other improvement that has been or will be leased to the community.

This bill would require a redevelopment agency to make specified findings, based on substantial evidence in the record, if the agency pays all or a part of the value of the land for and the cost of the installation

and construction of any building, facility, structure, or other improvement that is publicly owned either within or without the project area. These findings would not be final and conclusive. An agency would no longer be authorized to enter into a contract with a public corporation other than the community for the value of the land or the cost of the installation and construction of the building, facility, structure, or other improvement, or both. The bill would provide that an agency may contract with the community prior to January 1, 2009, when the land has been or will be acquired by, or the cost of the installation and construction of the building, facility, structure, or other improvement has been paid by, a parking authority, joint powers entity, or other public corporation to provide a building, facility, structure, or other improvement that has been or will be leased to the community.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 33445 of the Health and Safety Code is  
2 amended to read:

3 33445. (a) Notwithstanding Section 33440, an agency may,  
4 with the consent of the legislative body, pay all or a part of the  
5 value of the land for and the cost of the installation and construction  
6 of any building, facility, structure, or other improvement that is  
7 publicly owned either within or without the project area, if the  
8 legislative body ~~determines~~ *finds, based on substantial evidence*  
9 *in the record*, all of the following:

10 ~~(1) That the buildings, facilities, structures, or other~~  
11 ~~improvements are of benefit to the project area or the immediate~~  
12 ~~neighborhood in which the project is located, regardless of whether~~  
13 ~~the improvement is within another project area, or in the case of~~  
14 ~~a project area in which substantially all of the land is publicly~~  
15 ~~owned that the improvement is of benefit to an adjacent project~~  
16 ~~area of the agency.~~

17 *(1) Significant blight remains within the project area.*

18 *(2) The blight cannot be eliminated without the acquisition of*  
19 *the land or the installation and construction of the building, facility,*  
20 *structure, or other improvement that is publicly owned.*

21 ~~(2)~~

(3) That no other reasonable means of financing the buildings, facilities, structures, or other improvements, are available to the community, *including, but not limited to, general obligation bonds, revenue bonds, special assessment bonds, and bonds issued pursuant to the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code).*

~~(3)~~

(4) That the payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements ~~will assist in the elimination of one or more blighting conditions inside the project area or provide housing for low- or moderate-income persons, and that are publicly owned~~ is consistent with the implementation plan adopted pursuant to Section 33490.

~~(b) The determinations by the agency and the local legislative body pursuant to subdivision (a) shall be final and conclusive. For redevelopment plans, and amendments to those plans which add territory to a project, adopted after October 1, 1976, acquisition of property land and the installation or construction of each building, facility, structure, or improvement that is publicly owned shall be provided for in the redevelopment plan. A redevelopment agency~~

(c) An agency shall not pay for the normal maintenance or operations of buildings, facilities, structures, or other improvements that are publicly owned. Normal maintenance or operations do not include the construction, expansion, addition to, or reconstruction of, buildings, facilities, structures, or other improvements that are publicly owned otherwise undertaken pursuant to this section.

~~(e)~~

(d) (1) When the value of the land or the cost of the installation and construction of the building, facility, structure, or other improvement, or both, has been, or will be, paid or provided for initially by the community ~~or other public corporation~~, the agency may enter into a contract with the community ~~or other public corporation under which it agrees to reimburse the community or other public corporation~~ for all or part of the value of the land or all or part of the cost of the building, facility, structure, or other improvement, or both, by periodic payments over a period of years.

~~(d)~~

(2) The obligation of the agency under the contract shall constitute an indebtedness of the agency for the purpose of carrying out the redevelopment project for the project area, ~~which and the~~ indebtedness may be made payable out of taxes levied in the project area and allocated to the agency under subdivision (b) of Section 33670 or out of any other available funds.

(e) ~~In~~ *Prior to January 1, 2009*, in a case where the land has been or will be acquired by, or the cost of the installation and construction of the building, facility, structure, or other improvement has been paid by, a parking authority, joint powers entity, or other public corporation to provide a building, facility, structure, or other improvement that has been or will be leased to the community, the contract may be made with, and the reimbursement may be made payable to, the community.

(f) With respect to the financing, acquisition, or construction of a transportation, collection, and distribution system and related peripheral parking facilities, in a county with a population of 4,000,000 persons or more, the agency shall, in order to exercise the powers granted by this section, enter into an agreement with the rapid transit district that includes the county, or a portion thereof, in which agreement the rapid transit district shall be given all of the following responsibilities:

(1) To participate with the other parties to the agreement to design, determine the location and extent of the necessary rights-of-way for, and construct, the transportation, collection, and distribution systems and related peripheral parking structures and facilities.

(2) To operate and maintain the transportation, collection, and distribution systems and related peripheral parking structures and facilities in accordance with the rapid transit district's outstanding agreements and the agreement required by this paragraph.

(g) (1) Notwithstanding any other authority granted in this section, an agency shall not pay for, either directly or indirectly, with tax increment funds the construction, including land acquisition, related site clearance, and design costs, or rehabilitation of a building that is, or that will be used as, a city hall or county administration building.

(2) This subdivision shall not preclude an agency from making payments to construct, rehabilitate, or replace a city hall if an agency does any of the following:

1 (A) Allocates tax increment funds for this purpose during the  
2 1988–89 fiscal year and each fiscal year thereafter in order to  
3 comply with federal and state seismic safety and accessibility  
4 standards.

5 (B) Uses tax increment funds for the purpose of rehabilitating  
6 or replacing a city hall that was seriously damaged during an  
7 earthquake that was declared by the President of the United States  
8 to be a natural disaster.

9 (C) Uses the proceeds of bonds, notes, certificates of  
10 participation, or other indebtedness that was issued prior to January  
11 1, 1994, for the purpose of constructing or rehabilitating a city  
12 hall, as evidenced by documents approved at the time of the  
13 issuance of the indebtedness.